

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : NOLLE PROSEQUI

-v.- : 19 Cr. 545 (CM)

MICHAEL CARROLL and, :  
MICHAEL PAPPAGALLO,

:

Defendants.

:

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1. The filing of this nolle prosequi will dispose of this case with respect to MICHAEL CARROLL and MICHAEL PAPPAGALLO, the defendants.

2. On July 20, 2019, sealed Indictment 19 Cr. 545 (CM) was returned, charging MICHAEL CARROLL and MICHAEL PAPPAGALLO, the defendants, with (1) conspiracy to commit securities fraud, in violation of Title 18, United States Code, Section 371; (2) securities fraud, in violation of Title 15, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 244.100(b); and Title 18, United States Code, Section 2; (3) false statements in filings with the Securities and Exchange Commission ("SEC") (in two counts), in violation of Title 15, Sections 78m(a) and 78ff; Title 17, Code of Federal Regulations, Sections 240.12b-20, 240.13a-13, and 244.100(b); and Title 18, United States Code, Section 2; (4) and false certifications of disclosure filed with the SEC (in two

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counts), in violation of Title 15, Sections 78m(a) and 78ff; Title 17, Code of Federal Regulations, Section 240.13a-14; and Title 18, United States Code, Section 2.

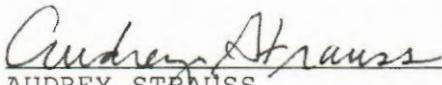
3. After additional investigation and review, the Government has determined that it cannot prove, beyond a reasonable doubt, that conduct that resulted in accounting adjustments that form a significant portion of the allegedly misstated metric charged in the Indictment was committed as part of the charged scheme to defraud.

4. In light of the foregoing, I recommend that an order of nolle prosequi be filed as to MICHAEL CARROLL and MICHAEL PAPPAGALLO, the defendants, with respect to Indictment 19 Cr. 545 (CM).

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/s/  
MARTIN S. BELL  
JORDAN L. ESTES  
REBECCA MERMELSTEIN  
DREW SKINNER  
DANIEL TRACER  
Assistant United States Attorneys

Dated: New York, New York  
March \_\_\_, 2021

Upon the foregoing recommendation, I hereby direct,  
with leave of the Court, that an order of nolle prosequi be  
filed as to defendants MICHAEL CARROLL and MICHAEL PAPPAGALLO  
with respect to Indictment 15 Cr. 545 (CM).

  
AUDREY STRAUSS  
United States Attorney  
Southern District of New York

Dated: New York, New York  
March 31, 2021

SO ORDERED:

  
HON. COLLEEN MCMAHON  
Chief United States District Judge  
Southern District of New York

Dated: New York, New York  
1 April, 2021